

ID: CCA_2009090108291137

Number: **200941027**

Release Date: 10/9/2009

Office:

UILC: 6227.00-00

From:

Sent: Tuesday, September 01, 2009 8:29:15 AM

To:

Cc:

Subject: RE: AAR Disallowance Letter 1831

There is no problem with making a partial allowance of an AAR. Section 6227(c)(2)(A)(i) provides that we may allow "the credits or refunds arising from the requested adjustments." (emphasis supplied) The phrase "arising from" means the refunds that the requesting partner[s] are entitled to out of what was requested. The statute does not say that we must allow the refunds "requested" or none at all. Hence, we have the discretion to allow only what we think are the proper adjustments.

We are also free to allow taxpayers to request appeals consideration. Instead of filing suit under section 6228(a)(2), the TMP can secure a statute extension using Form 9248 to allow Appeals time to consider settlement. A partner-level AAR can use form 9247. If a settlement is reached with Appeals, we would only issue refunds in the settlement amount and litigation would be unnecessary.

[REDACTED]